MANAGING COMMUNICATION PROCESS IN THE ORGANIZATIONAL CHANGES
The Case of PT XYZ

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Abstract
Communication is vital to the effective implementation of organizational changes. During the major organizational changes within the organization, a good and suitable communication process is needed and important to improve company’s operation performance. The aim of this paper is to analyze communication problems during organizational changes and to propose the appropriate interventions in the organization’s case study. Three major internal communication barriers are found and indicated which related to the geography, culture and people problems. Through applying not only ICT’s approaches, but also implementing training, education and workshop as well as boundary spanners programs, those communication problems could be overcame.

Keywords: communication problem, internal communication, communication barrier, ICT’s approaches, boundary spanner

MENGELOLA PROSES KOMUNIKASI DALAM PERUBAHAN ORGANISASI

Abstrak
Komunikasi merupakan hal yang vital dalam hal penerapan implementasi yang efektif pada saat terjadi perubahan organisasi. Proses komunikasi yang baik serta tepat sangat dibutuhkan dan penting untuk memperbaiki kinerja perusahaan pada saat terjadi perubahan-perubahan besar dalam organisasi. Tujuan dari tulisan ini adalah untuk menganalisis permasalahan komunikasi yang muncul selama terjadinya perubahan organisasi dan memberikan saran dan rekomendasi yang tepat pada organisasi studi kasus yang dipilih. Tiga hambatan utama komunikasi internal ditemukan yang berkaitan dengan permasalahan geografi, budaya serta manusia. Dengan tidak hanya menerapkan pendekatan Teknologi Informasi Komunikasi (TIK), namun juga dengan mengimplementasikan program pelatihan, edukasi dan lokakarya serta boundary spanner, semua permasalahan komunikasi tersebut dapat diatasi.
Introduction

A good communication process is a paramount for running the organization to achieve its best performance and attract more investors (Hanasthasia, 2012). This process is most important especially during organizational change within the company.

This paper portraits a communication management process during the major organizational change and its effect on organization’s performance at the one of big and old plantation company in Indonesia during 2003-2005. The objective of this paper is to analyze communication problems during organizational changes and then present interventions to achieve the organization’s goals.

In this paper, the author would argue that managing communication in the changing organization is difficult and can not be reached in the short term period. Factors including geographic business unit locations, cultural differences and generation gap among the employees, could be major obstacles to successful of implementing communication process within organization.

Literature Review

Communication Concept, Process and Its Development

In his books of “Communicating in the 21st Century”, Eunson (2005) argued that communication is the study of the transfer of meaning. However, long time before in the 1960s, David Berlo as communication scholar once reminded that communication does not consist of the transmission of meaning, because of meanings are not transferable. Therefore, only messages are transmittable (Hamilton, 2010).

A more accurate definition of communication can be found by looking at its original meaning. The Oxford English Dictionary (1989) lists the Latin root of communicate as communicare, which means to make common to many, and share. Based on this definition, when people communicate, they express their ideas and feelings in a way that is understandable (common) to each it. Therefore, Hamilton (2010) concluded that communication is the process of people sharing thoughts, ideas, and feelings with each other in commonly understandable ways.
Communication Process

According to Hayward (1998), communication process occurred if there is exchange message between a sender and a receiver. Furthermore, Eunson (2005) notified, every communication process need sender and receiver as well as messages which is defined as an information conveyed by any means from one person or group to another person or group to communicate. A good communication process needs decoding and encoding combined with properly channels to transfer and receive message as well as to reduce and/or remove “noise” which hinder the communication process. Encoding is defined as transformation or masking a message in some ways, whilst decoding is defined as converting a message from a coded form into a plain form. A model of communication process which adapted from Eunson (2005) can be seen in Figure 2 below.

![Figure 1. Communication Process. (source: adapted from Eunson, 2005)](image)

Nolan (1999) defined a successful communication as the ability to get what we want from others in a manner that maintains the relationship on terms acceptable to both sides. In the same way, Hayward (1998) noticed that an effective communication relies on both sender and receiver to aid the communication process. Hence, good communication depends on good senders and good receivers which are able to convert ideas into a clear and well-organized message as well as to giving promptly feedback.

These arguments were supported by Wood et al (2004) whose agreed that effective communication is communication in which the intended meaning of the source and the perceived meaning of the receiver are one and the same. Moreover, to succeed in the communication process Grosse (2002) suggested several factors, including: communicate continuously; use active listening; keep simple and clear; use different technologies; build relationships and trust; show respect for other cultures; and be sensitive to cultural differences.

However, many barriers which is called “noise” occurred in the communication process. Eunson (2005) defined noise as anything that distorts the message, such as incomplete message transfer, message’s misinterpretation, and misperception of situations and people.

To cope with those communication barriers, Eunson (1994) recommended using different communication channels. Other solutions such as maintaining content and message as well as making
relationships between senders and receivers should be considered.

**Communication Process in Organization and Workplace**

Many communication experts have argued that communication is the key roles to succeed in the organization. As stated by Lewis and Seibold (1998), who believed that communication is fundamental to organization. In the same way, Wood et al (2004) illustrated that communication in organization is analogous to blood circulation in human bodies. Furthermore, Hamilton (2010) clearly stated that the success of an organization depends on the communication skills of all its employees. Similarly, Peters and Fletcher (2004) agreed that communication is a key role in facilitating team working and knowledge management. Thus, by understanding the communication process can help the Management to identify important areas of focus for managers of intra-organizational teams.

In line with those statements, Wood et al (2004) and Hamilton (2010) argued that there are two communication channels in the organization, namely “formal and informal channels”. Formal communication channels “are communication channels that follow the chain of command established by the organization’s hierarchy, whilst informal communication related to communication that do not adhere to the organization’s hierarchy”. Furthermore, Hayward (1998) differentially mentioned communication channels in the organization which called: vertical and horizontal communication process. Vertical communication process usually occurs between managers and their subordinates or upward and downward communication process. In the mean time, horizontal communication process occurs between co-workers in the same level within organization.

Nevertheless, there are many barriers to communication process within organization which are mainly due to physical distraction, semantic problems, cultural differences and the absence of feedback (Wood, et al, 2004). In addition, Hayward (1998) found that at least two major barriers occurred in the communication process, namely: informational and attitudinal factors. Informational barrier related to inaccurate information, poor or inappropriate use of language, whilst attitudinal barrier influenced by cultural differences and stereotypes and negative beliefs.

Moreover, Hamilton (2010) assured often informal communication to be a better source of organizational information than formal communication. Similarly, Athanasios (2005) agreed with Hamilton statement that interpersonal communication is important to improve communication process in the organization. He defined that interpersonal communication as the process by which information is exchanged and understood by two or
more people, usually with intent to influence or motivate behavior.

Therefore, he found that most important communication problems in the organization related to the external factors, the limited time, the language and the ability of perception and the negative attitude. To overcome with those problems, Athanasios (2005) suggested, clearly communication, training and teaching education and improve non-verbal communication are the some solution from others interventions to improve communication in the organization.

**Communication Process in Today’s and Future’s Organization**

Based on Ihator (2004) statement, communication between and within organization today has been changing and substantially improving due to a changing society, corporate values and information technology. Consequently, to succeed in communication process, present company should more transparent in its business, understand industry trend and issues and open to learn, develop new skills and grow (Cummins, 2003).

Similarly, Huang and Kleiner (2005) supported Ihator statement that in today’s business environment, effective corporate communication is becoming important due to the highly diversified workforce and rapidly changing technologies. Therefore, he suggested using multi channel communication is more common today to achieve company’s goal. In addition, Firoz, Taghi and Souckova (2006) clearly agreed that information technology as integral part of today’s business infrastructures.

In line with those notions, Denton (2006) suggested that using the intranet has many advantages to improve communication process in today’s organization. He insists that the intranet is able to help management and group members obtain a clear picture of what is really going on within organization. In addition, the intranet is used to provide instant access to information deemed important or relevant to various sections or individual within a company.

Furthermore, Corso, Martini, Pellergini, Massa and Testa (2006) pointed out that the Information Communication Technology (ICT) enable to overcome geographical, time and organizational barriers to communicate and transfer knowledge in disperse networks. As argued by Bouwman, van den Hooff, van de Wijngaert, and van Dijk (2005) that the use of the ICT in organization requires knowledge regarding both organizations and technology. Therefore, they recommended four factors are needed to succeed adopting ICT within organization, namely: the organizational; technological; economic; and user perspectives (Masyhuri, 2013).

Aside from that, based on Eunson (2005)’s point of view, the futures organization is signed of emerging virtual organization which is defined as an organization comprising a network of
geographically dispersed workers connected to one another, and sometimes to a central workplace via computer, phone, video and other links.

However, Hertel, Kondrat & Orlikowski (2004) admitted that it is difficult to maintain virtual teams because of reducing of face-to-face interaction during communication process. In the same way, as argued by Conrad and Poole (2005) that beside have many advantages, the implementation of the ICT in the organization could harm employees’ privacy and security because of using such the ICT may threatens to erode workers’ private time, even further.

Methods

The chosen case study was a PT XYZ is one of major and old plantation company in Indonesia where the author has worked during the period. Data and information were collected through the company’s internal and published information including annual reports, internal magazine and reports as well as interviewed with key persons and employees.

Findings and Discussion

History and Background of the Organization’s Case Study

Based on its Annual Reports (2003, 2004 and 2005), PT XYZ is a well known as one of the biggest plantation company in Indonesia which has been operated since 1906. Currently, the Company manages 38 different plantation estates locations which are operating in seven provinces in the four major Indonesian islands: Sumatra, Java, Kalimantan and Sulawesi. Relating to the products sold, the Company has variety of products from seeds to palm oil, cocoa, rubber, tea and coffee which are exported to the worldwide. At the end of 2004, the Company employed around thirteen thousands workers across the country and most of them have been served the Company for more than twenty to thirty years.

Traditionally, as a conventional plantation company, PT XYZ has had very hierarchical structure organization and operated in separated different estates locations. The Company has used traditional communication channels such as mailing post, telex and handy talkie during its operations. Therefore, reporting systems and logistic operations between estates, head office and customers often delayed until four to six months. As a result, the Company’s management could not take a business decision promptly and on-time manner (Annual Report, 2003).

In the beginning 2003, due to changing its majority ownerships and to face a new challenge in a global market as well as to improve the Company’s operation performance, the Management has conducted the organization structure overhaul by integrating People-Culture-Structure-
Strategy in the whole organization systems. As mentioned by PT XYZ’s President Director in the Annual Report (2004, p. 12) that, “.....PT XYZ is [now] gradually transforming from a ‘traditional plantation operations of a hundred years, into a ‘corporatized’ agro-industrial business of a modern corporation. Thus, PT XYZ is being introduced to new ways of doing business...”.

**Major Problems in the Communication Process**

Based on the Company’s communication consultant report (Pacific Gehana, 2004), there are three major communication problems in PT XYZ during the transformational process, namely: (1) problems which occurred due to relating to the scattered business unit locations; (2) problems which emerged due to differences cultural ethnics among the employees; and (3) problems which occurred due to relating to the generation gap differences between employees.

**Geographical Problems**

As mentioned before, PT XYZ operated in the four major island of Indonesia and manage thirty eights estates in different locations. In addition, some estates located in the remote areas which have lack of supporting infrastructures such as electricity/power energy and poor road conditions. As a result communication process between the estates and the head office can only use the traditional communication channels and it is difficult to obtain report promptly.

As argue by Cheney and Christensen (2001) that maintaining communication process in disperses geographically organization is increasingly difficult. It needs more energy and more capital support to succeed in maintaining business in the scattered locations.

**Different Cultural Sub-Ethnics Problems**

According to Pitaloka (2004), Indonesia has had more than three hundred different sub-ethnics across the nation as well as has different cultures and languages.

Due to wide operation across the major Indonesia islands, PT XYZ has variety of different sub-ethnics among its employees. Based on the monthly Company’s magazine, most workers in Sumatra Island come from Bataknese and Palembangnese sub-ethnics which are known as tough people and have temperamentally characters. However, they have open communication behaviors and able to learn a new technology faster than others.

Similarly, workers in Sulawesi and Kalimantan islands have known as a brave and a tough people, and they have known as best and loyal workers. On the contrary, workers in Java island are dominated by Javanese and Sundanese sub-ethnics which have soft and diligent characters. Nevertheless, they have not ready to absorb a new technology as
good as their peers in Sumatra island (Pitaloka, 2004).

According to Mounter (2003:265), “…it required sensitive listening skills and a strategic understanding of the organization’s needs to communicate with people from different cultures”. Therefore, “communicating across cultures using technology can be a difficult task, because of it needs understanding the advantages and limitations of technology and how to build relationships via technology” (Grosse, 2002:22).

**Generation Gap or People Problems**

According to Zemke, Raine and Filipczak (2000) and Community Banker (2002), today’s organization consist of at least four level of generation workers, namely the veterans/senior (people who were born between 1940s-1950s); the baby boomers (people who were born between 1950s-1960s); the generation X (people who were born between 1960s-1980s); and the generation Y (people who were born in 1980s-today).

In line with that, most of PT XYZ employees have been working for more than 20 years and the major of them come from the baby boomers generation (Annual Report, 2004). The communication problems often emerged among the difference generation gap level. For example, it is quite difficult to ask some workers from the older generation such as the baby boomers to do something which related to the working conditions if the requests come from the younger generations (generation X or Y), although they have higher position in the organization.

These conditions are supported by Fong and Chuang (2004) report who found that in the most Asian cultures, getting on in the senior age is viewed as positive behaves. Therefore, the Asian always and should give respect to elderly people. Those who failed to consider these circumstances are called “the cross taboo-ers” or the “wrongdoers”. Figure 1 describes the stages of the Company’s changing process and communication barriers during the transformational change.

![Figure 1](image1.png)

**Generation Gap or People Problems**

![Figure 2](image2.png)

**Figure 2.** The Company’s Transformational Stages and Major. Communication Problems during Organization Changing Process. (sources: Modified from Pacific Gehana and PT XYZ Annual Report compilation)

Figure 1 depicts the Company’s Management try to shift its internal communication problems reports from the four to six months delays (the Left Hand Side position) in to desired results i.e on-time basis reports (the Right Hand Side position). Nevertheless, there are three major internal communication barriers hinder the process, which related to the geography, culture and
demography problems (the center part position).

**Company Interventions**

To overcome those communication problems, the Management implemented two approaches, namely the ERP and the networking support systems.

**Implementing The Enterprise Resource Planning (ERP) Systems**

During the transformation changes, PT XYZ has implemented the Enterprise Resource Planning (ERP) application systems which integrate every function and component of the Company’s businesses (Annual Report, 2004). As mentioned by Company’s Chief of Information System that ERP provide not only financial and accounting information, but also covers logistics and supply chain information; and, its system can link and used in all estate operations. In addition, the Company constructed the voice-and-data communication infrastructure network through a Wide Area Network (WAN) configuration combined with wireless network technology, the Very Small Aperture Terminal (VSAT) and leased lines systems.

The Company believes that by implementing for such the ICT’s approaches, communicating process as well as reporting systems and logistic operations can be obtained on-time and promptly. However, after one and half year implementing those systems, some major communication problems still have been occurred. As a result, reporting systems and logistic operations within the organization still have delayed for two up to three consecutive months.

Many information technology experts have admitted the benefits of using the ICT systems in the organization. Based on Shtub (2001) findings, the ERP software systems are able to support comprehensive management in all organization’s aspects including finance, operation, marketing and human resource development within organization. He believed that by utilizing this capability the Management can obtain and maintain their organization in good conditions.

Similarly, Kasper-Fuehrer and Ashkanasy (2001) supported the notion that the ICT can be enhancing communication process in the organization, because of the ICT acts as the medium for communication and coordinating process among the collaborative parties within the organization. Furthermore, Boonstra and de Vries (2005) supported that the ICT based web systems are able to share information and could conduct business across organizational boundaries.

Nevertheless, some experts argued that beside make a company stronger, using the ERP systems also have some limitations. Gupta and Kohly (2004) pointed out that using the ERP systems have potentials to destroy a company if the organization failed to improve...
internal operations and increasing efficiency within organization. In addition, Hua, Sher and Peng (2005) noticed that using the ICT can reduce receivers’ ability to establish good relationship within the group members as well as unable to respond the message immediately. Another notion comes from Pepper and Larson (2006) who insisted that using the ICT have more limitations than benefits such as can not adapt cultural differences among the organization members and can lead to a lack of trust between the employees and the Management.

**Applying Information Technology**

*Hardware Networking Support Systems and Providing Power Supply Energy*

The company also provided the availability of supporting infrastructures systems to smooth the ERP process in its estates locations. As pointed out by Bouwman et al (2005), to succeed implementing the ICT within organization needs supporting technology systems as well as uninterrupted power supply energy such as electricity. Some benefits by providing networking computer systems and continuity of power supply energy, including: avoiding obsolesce technological traps and can maintaining easily the compatibility of supporting hardware systems as well as increasing efficiency by implementing the same technologies.

The company realized that providing new hardware network supporting systems and supplying continuous power energy in every business unit locations need huge financial capital support and take long time period. Therefore, by implementing the hub-network system and integrated sharing power supply energy between the adjacent business unit locations could give the best solutions to improve the communication process within organization (Pepper and Larson, 2006).

Nevertheless, both company’s interventions only seems to cope with the geographical problems, and could not be directly improved the communication process problems within the organization. In other words, such interventions only be able to deal with the “communication hardware problems”, and could not manage the “communication soft problems” amongst the employees which were occurred, i.e. differences in sub-ethnics cultural and generation gap problems. As a result, the delay communication and data reports from the sites were still there.

As argued by Grosse (2002), to succeed implementing technology in the communication process within organization, at least four factors should be considered by the organization, namely: (1) understand the advantages and limitations of technology; (2) offer training and technical support; (3) build relationships with team members; and (4) keep the human touch.

**Implications and Recommendations**
Two recommendations could be proposed to cope with the “soft communications problems” which related to the employees behaviors and characters’ performance, as follows:

1) **Applying Workshops, Training and Education Program**

Many communication experts believe that communication process in the organization can not be replaced by using the ICT systems. Therefore, they recommended some programs through educating and providing more workshop and training programs on communication and organization transition changes which can improve the communication process in the organization (Atkinson, 2003).

Some benefits of the workshop, training and education program in the organization can be explained, including: serving much more target audiences/employees; increasing face-to-face communication approaches; increasing understanding of the communication problems directly; obtaining knowledge directly from expert; increasing effective listening knowledge of the organization members; promoting awareness of diversity cultures among workers; and providing IT support systems during the changing organization (Atkinson, 2003; Bayerlein, 2005; Eales-White, 1992 and Russel, 2005).

However there are some limitations to implementing these programs due to financial and time constraints as well as the difficulties to gathering and collecting workers in the certain time and certain location (McManan, 2005). By conducting training and education centre point in the suitable and adjacent location or inviting the trainers coming to the business site directly is the one of alternative solutions to cope with those problems.

2) **Applying Boundary Spanners Programs**

According to Eunson (2005), a boundary spanner is described as an employee of the organization who routinely moves between the organization and the external environment.

There are some advantages by applying boundary spanners program in the organization. The major benefits, including: the ability to sharing and transfer knowledge and experience directly to other workers; increasing face-to-face communication approach; increasing the interpersonal relationships; increasing cross-functional teams work; more active listening skills amongst the employees; more understand about other different cultures workers; and can obtain directly knowledge and experience from co-workers whose act as boundary spanners (de Vries, van den Hoof and de Ridder, 2006; Eunson, 2005; Keffeler, 1991; Peters and Fletcher, 2004; and Shtub, 2001).
Conclusion

Managing communication in the changing organization is not as easy as theoretically said. It needs more and long understanding about the natures, actors (senders and receivers) and the message which related to the organization’s structures and locations where the communication process is occurred.

Applying the ICT through the ERP system and Networking Support Systems at PT XYZ during the organizational change could only have a little impact to improve the Company’s communication and performance processes. Other factors such as cultural differences and generation gap amongst workers were still occurred and could be the majors’ barriers to speed up the communication process within the organization.

References


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